

Shasta LAFCO

Shasta Local Agency Formation Commission

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MINUTES

Special Meeting – February 11th, 2009

(These minutes are not intended to be a verbatim transcription of the proceedings and discussion associated with the business on the Commission's agenda; rather, what follows is a summary of the order of business and general nature of testimony, Commission deliberation, and action taken.)

CALL TO ORDER/ROLL CALL/INTRODUCTIONS

Chairman Webster called the meeting to order at 9:00 am at the City of Anderson Council Chambers, 1887 Howard Street, Anderson, CA. Commissioners Farr, Fust, Haynes, Kehoe, Mathena and Webster were present. Commissioners Baugh and Gover were absent. Executive Officer Mickelson, Counsel Johnson and Clerk Smith were present as staff.

PLEDGE OF ALLEGIANCE

Commissioner Kehoe led the Pledge of Allegiance.

PUBLIC COMMENT

There was no public comment submitted.

MINUTES

The minutes of December 4, 2008 were presented. By motion made and seconded (Haynes, Kehoe), the Commission approved the December 4, 2008 minutes.

The minutes of January 16, 2009 were presented. By motion made and seconded (Kehoe, Mathena), the Commission approved the January 16, 2009 the minutes. Commissioner Haynes abstained.

The minutes of February 4, 2009 were presented. By motion made and seconded (Kehoe, Farr), the Commission approved the February 4, 2009 the minutes.

BUDGET & FISCAL AFFAIRS

Review and Adoption of 2007-08 Audit Statements

Ms. Mickelson informed the Commission that Ms. Kathi Hibner with Hathaway & Ksenzulak, LLP was present. Chairman Webster invited Ms. Hibner to address the Commission in regards to the 2007-08 Shasta LAFCO audit.

Ms. Hibner thanked the Commission for allowing their audit firm perform LAFCO's audit. She stated that LAFCO came in under budget and there were no deficiencies found. She also stated that the typist had made an error on the End of Year - Fund Balance. That number should be reflected as a positive number and not a negative one as presented. She stated that she would provide staff with a revised copy of the financial statement.

By motion made and seconded (Mathena, Kehoe), the Commission approved 2007-08 Audit Statements.

Consideration of Checking Account Statements

Ms. Mickelson presented the following bank statements: US Bank: two statements dated November 30, 2008 and December 31, 2008; Tri Counties Bank: four statements dated September, 17, 2008, October 17, 2008, December 17, 2008 and January 19, 2008; and LAIF: four statements dated September 2008, October 2008, November 2008 & December 2008 . Ms. Mickelson stated that there were additional statements before the Commissions today that had been not yet been presented due to the temporary absence of Clerk Smith. By motion made and seconded (Mathena, Kehoe), the Commission approved the bank statements as presented.

Fiscal Year 2008-09 3rd Quarter Transaction Register to Date

The 3rd Quarter Transaction Register was presented for review and adoption. By motion made and seconded (Farr, Fust), the Commission approved the Transaction Register.

Consider Fiscal Impacts of PTO/Administrative Leave Accrual

Commissioner Farr informed the Commission that the committee formed at the prior Commission meeting, comprised of Commissioners Farr (Committee Chair), Fust and Kehoe had met regarding the issue of PTO/Administrative Leave Accrual. At this time they did not have a recommendation, rather they requested further information from the Executive Officer as well from LAFCO Counsel.

The Commission would like clarification as to the Executive Officer's contract verses the current LAFCO personal policies and which takes precedence. Counsel Johnson stated that she would review the stated issues.

Commissioner Fust asked Counsel Johnson if this issue is a subject that is appropriate to discuss in closed session. Counsel Johnson stated that it was not.

Commissioner Kehoe suggested returning the matter back to the Ad hoc committee to research this matter further and invited the Executive Officer so as to add some history to this subject. All the Commissioners concurred.

Commissioner Fust expressed his desire to see all unused PTO as part of the annual budget. He would like to see it shown as a long term liability. Commissioner Webster echoed that statement.

There was no action on this item.

CHANGES OF ORGANIZATION AND/OR REORGANIZATION

Report on Upcoming or Potential LAFCO Activity

The Executive Officer provided a brief report to the Commissioners regarding upcoming and expected proposals. She included with this report correspondence from Fresno LAFCO regarding Westlands request to annex property within Shasta County to Westlands Water District located in Fresno County.

Commissioner Kehoe asked that staff memorialize any correspondence about this project and noted that Westlands Water District is a large and aggressive agency and LAFCO as well as the County should be prepared for that.

The Chairman of Clear Creek CSD provided the Commission with a newspaper article regarding this project and was very concerned about this potential proposal.

Ms. Char Workman- Flowers with Clear Creek CSD asked that the Commission take this potential annexation very seriously. While nothing has transpired as of yet she felt that Westlands Water District is a very large organization and doesn't begin these conversations without a reason.

At 10:15 am the Commission broke for a 5 minute break.

The meeting resumed at 10:20 am and went back to item 5e on the agenda.

BUDGET & FISCAL AFFAIRS

FY 2008-09 Mid Year Budget Update

Ms. Mickelson reviewed with the Commission the Mid Year Budget for Shasta LAFCO. She pointed out that LAFCO is on tract with the budget and expects that to continue through the end of the fiscal year due to staff maintaining a minimalistic approach to spending.

By motion made and seconded (Fust, Haynes), the Commission approved the FY 2008-09 Mid Year Budget Update as presented.

Commissioner Kehoe asked if unused PTO is shown on the budget presented before them today. Ms. Mickelson stated that it was not.

SPECIAL STUDIES AND REPORTS

Municipal Services Reviews: City of Shasta Lake

Ms. Mickelson informed the Commission that she received correspondence from the City the night before the meeting with some minor changes to the City's MSR. She went over each of these changes with the Commission.

On page 15, change 2nd paragraph to read:

A portion of the southwest section of the City known as the "Summit City Pressure Zone" was served by the City of Redding until 2004, at which time Shasta Lake entered into agreement with Redding to take over this system. The agreement allowed the City to acquire 30 ac/ft of the 40 ac/ft that was allocated to the Summit City Pressure Zone. The City treats the other 10 ac/ft of water, then delivers it through a master meter to a handful of Redding customers. Currently, the City of Shasta Lake is the only water service provider within the city limits.

On page 15, change 4th paragraph to read:

On July 29, 2003, the City was successful in securing an additional long-term water allocation from the Bureau of Reclamation (BOR) when the BOR agreed to restore the City's historical allocation of 4,400 AF of Central Valley Project (CVP) water per year. 30 ac/ft was added to our CVP allocation in 2004 as mentioned above. Additionally, the City recently entered into agreement with Anderson-Cottonwood Irrigation District (ACID) for the long-term (40-year) transfer of 2,000 AF of water to the City of Shasta Lake.

On page 15, change last paragraph to read:

Including the BOR allocation of 4,430 AF, the ACID transfer of 2,000 AF, and 325 AF from MCM, the City's total long-term water supply would be 6,755 AF per year, pending BOR's approval of the ACID and MCM water transfers.

On page 18, change the 2nd paragraph to read:

The existing pumps can meet the City's current needs when all pumps are operational. The City currently has nine water storage reservoirs totaling 6.2 million gallons of storage. The existing system consists of approximately 300,000 feet (57 miles) of distribution lines plus larger supply mains.

Commissioner Mathena asked if sales tax should have been included in the City's revenue. Ms. Mickelson stated that it should and would be added to the MSR.

By motion made and seconded (Farr, Fust) the Commission approved the City of Shasta Lake Draft Municipal Services Review with changes.

Municipal Services Reviews: Shasta Lake Fire Protection District

Ms. Mickelson began by thanking the Shasta Lake FPD for all their help and cooperation while compiling this document. She then presented the Municipal Service Review to the Commission.

Chairman Webster asked if the Fire Chief had any comments about the MSR. Fire Chief Rogers thanked LAFCO staff for their patience while compiling the information LAFCO requested.

By motion made and seconded (Haynes, Farr) the Commission approved the Shasta Lake Fire Protection District Draft Municipal Services Review.

Municipal Services Reviews

Ms. Mickelson provided the Commission with the current MSR update. Counsel Johnson provided the Commission with a Memorandum regarding LAFCO's policy of exempting certain local agencies from the need to prepare a MSR. The Memorandum explained that while there appears to be no direct authority for such an exemption, there is some support for the policy currently set in place. Ms. Mickelson stated that that staff would research other LAFCOs and see how they address the exemptions.

OPERATIONS & ADMINISTRATION

CFPPC Form 700 Distribution and Instructions

Ms. Mickelson reminded the Commissioners that the Form 700 is needed in the LAFCO office no later than April 1, 2009 with a wet signature.

OTHER BUSINESS

Election of LAFCO Officers

The Executive Office spoke with Commissioner Gover prior to today's meeting and relayed Commissioner Gover's interest and willingness to serve as LAFCO Chair should he be nominated at today's meeting.

Commissioner Kehoe nominated Vice Chairman Gover to begin serving as Chairman and Commissioner Fust to serve as Vice Chairman.

By motion made and seconded (Kehoe, Haynes) the Commission elected Commissioner Gover as the Chairman and Commissioner Fust as the Vice Chairman.

Ms. Mickelson informed the Commission that their term would continue through June of 2010.

COMMISSIONER ANNOUNCEMENTS

Commissioner Webster expressed to the Commission that he enjoyed his time serving as a LAFCO Commissioner and looks forward to serving again next year.

Commissioner Mathena updated those present on the bridges currently being constructed within Shasta County.

STAFF ANNOUNCEMENTS

The next regular LAFCO meeting will be at 9:00 am on April 2, 2009 at the City of Redding. The Executive Office will be putting together a Special LAFCO Workshop for the Commission on May 7, 2009 at a location TBA.

Commissioner Kehoe offered to help set up an appropriate meeting place.

CLOSED SESSION

None

CLOSED SESSION REPORT

None

ADJOURNMENT

There being no further business, Chairman Webster adjourned the meeting at 11:20 am.

Respectfully submitted,

Jessica Smith
Clerk to the Commission

Date